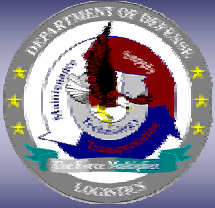


Foundation for Change

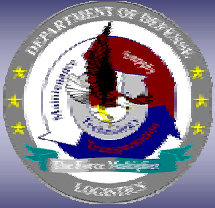
- Established Logistics Reform Senior Steering Group
- Supported elevation of importance of DoD Logistics
 - USD for Acquisition, Technology and Logistics
 - DUSD Logistics and Materiel Readiness
- Restructured DUSD(L) organization
- Collaboratively developed Logistics Strategic Plan



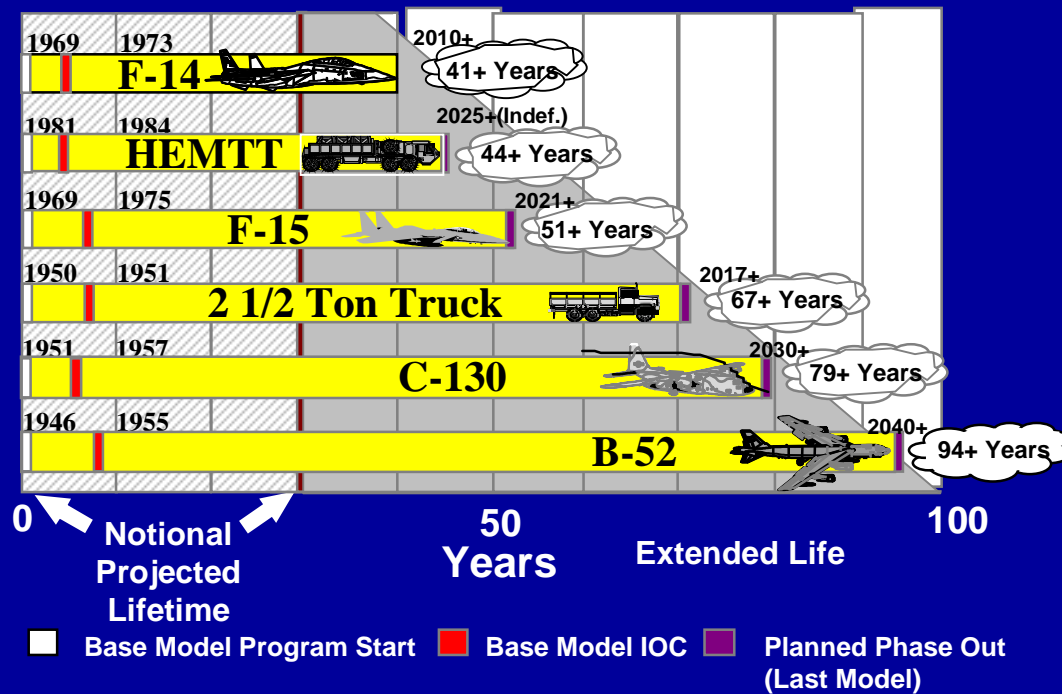


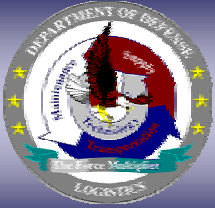
Selected Critical Statistics

- **Decreased Logistics response time** from 36 days in FY 1997 to 14 days in FY 2000
- **Reduced inventory** from \$62B in FY 1997 to \$55B in FY 1999
- **Increased asset visibility** and accessibility from 62% in FY 1997 to 92% in FY 1999
- **Reduced logistics cost baseline** from \$82B in FY 1997 to \$78B in FY 2000 (Projected)



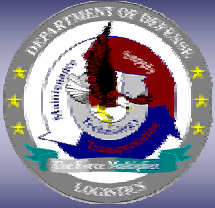
Our Logistics Challenges





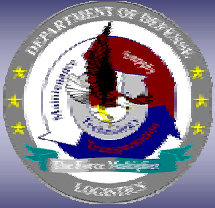
Aging Aircraft Maintenance

- Aircraft maintenance (all types) costs in excess of \$20 billion annually
- Approximately \$7.4 billion in Depot Level
- Approximately \$12.6 billion in Intermediate and Field Level



CTMA Objectives

- Link DoD organic maintenance activities to commercial industrial sector through advanced technology collaborations
- Identify and achieve real cost savings in the maintenance, re-manufacture, and repair of weapons systems
- Validate new technologies developed under collaborative model



Projects to date

- 18 Projects Approved
- DoD Investment
 - ◆ \$7.5 Million Direct Contract
- Industry Cost Share
 - ◆ \$19.65 Million
- DoD Facilities Engaged (11)
- NCMS Members Engaged (65)